



**ZIMBABWE EZEKIEL GUTI UNIVERSITY**

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**FACULTY OF BUSINESS, ECONOMICS AND ACCOUNTING**

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**DEPARTMENT OF ACCOUNTING AND FINANCE**

**EXAMINATION PAPER**

**COURSE CODE** : CAC 402/ CBM 402

**COURSE TITLE** : CORPORATE GOVERNANCE AND  
PROFESSIONAL ETHICS

**DURATION** : 3 Hours

**DATE** : 31 May 2019

**INSTRUCTIONS TO CANDIDATES:**

1. Answer any FOUR questions only.
2. Each question carries 25 Marks.
3. Start each question on a new page of your answer sheet.
4. Cellphones are NOT allowed.

### **Question One**

- a) Distinguish between unitary and two-tier boards and discuss their disadvantages. (7 marks)
- b) Discuss the characteristics of an effective board of directors. (8 marks)
- c) Explain why a separation of the roles of chairman and chief executive is considered best practice in corporate governance. (10 marks)
- [Total: 25 marks]

### **Question Two**

- a) Define and explain risk in the context of corporate governance (5 marks)
- b) Describe management responsibilities in risk management (10 marks)
- c) Explain and evaluate the role of the risk committee in identifying and monitoring risk (10 marks)
- [Total:25 marks]

### **Question Three**

- a) In light of the challenges that have been troubling most organizations in Zimbabwe, examine the importance of good corporate governance in organizations. (15 marks)
- b) Describe the importance of a Corporate Secretary in ensuring sound and effective governance. (10 marks)
- [Total:25 marks]

### **Question Four**

- a) Describe the principal - agent problem in corporate governance. (5marks)
- b) Explain the basis for disqualification of Directors. (8 marks)
- c) Discuss the different approaches to improve the ethical conduct at the workplace. (12 marks)
- [Total:25 marks]

**Question Five**

- a) What role do boards of directors serve in corporate governance? (10 marks)
- b) Citing practical examples explain how organizations can promote transparency and accountability. (15 marks)

**[Total:25 marks]**

**END OF PAPER**